

University of Mississippi
eGrove

Newsletters

American Institute of Certified Public Accountants
(AICPA) Historical Collection

1-1-1974

Washington report, vol. 2 no.40, July 22, 1974

American Institute of Certified Public Accountants. Federal Information

Wade S. Williams

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Certified Public Accountants. Federal Information and Williams, Wade S., "Washington report, vol. 2 no.40, July 22, 1974" (1974). *Newsletters*. 442.

https://egrove.olemiss.edu/aicpa_news/442

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

AICPA *Washington Report*

July 22, 1974
Volume II, Issue 40

WASHINGTON REPORT SUMMARY

Agriculture	Legislation to allow CPAs to audit Federal milk marketing orders introduced	p. 1
Commerce	Office of Foreign Direct Investment is abolished.	p. 1
FEA	Second utility rate conference planned.	p. 1
FPC	Legislation for "reimbursement of services" and the setting of filing fees offered.	p. 1
FRB	Non-banking services to be considered by House Banking Committee	p. 1
FTC	Senate Appropriations Committee restores initial provision for LB reporting on 500 firms	p. 2
HEW	GAO report critical of South Carolina HMO program	p. 2
	Report on "Estimated Expenditures" for NHI issued	p. 2
ICC	Directed emergency repairs and reimbursement procedures proposed.	p. 2
	Surface Transportation Act retains provision for rate bureau study.	p. 2
Justice	FY 75 LEAA Guidelines issued.	p. 3
SEC	Comm'r Sommer speaks on annual reporting.	p. 3
	Report Coordinating Group (Advisory) meets in Washington, D.C. on July 29	p. 3
	B-D Model Compliance Advisory Committee meets on Aug. 13.	p. 3
Treasury	"Tentative decisions" on capital gains announced.	p. 3
	"Christmas tree" bill back on Senate calendar	p. 4
	Staff sets August 12 for completion of pension reform measure.	p. 4
Special	ACIR outlines agenda for Third Century.	p. 4

AGRICULTURE, DEPARTMENT OF

Legislation permitting CPAs to audit milk marketing orders has been introduced by Sen. Jesse Helms (R-N.C.) of the Senate Agriculture and Forestry Committee. The bill, S. 3730, is in the form of an amendment to Section 8d(2) of the Agricultural Marketing Agreement Act of 1937, as amended, and provides specific authority granting certified public accountants access to confidential records for purposes of making annual audits of the operations of Federal milk market orders.

COMMERCE, DEPARTMENT OF

The Office of Foreign Direct Investments has been abolished effective 6/30/74. The Administrator of the Social and Economic Statistics Administration (SESA) has been authorized to gather information relating to transactions involving direct or indirect transfers of capital to or from or outside the U.S., investments, earnings, foreign balances, and other businesses abroad for statistical purposes. For further information concerning this matter, contact the SESA at 202/763-7662.

FEDERAL ENERGY ADMINISTRATION

A second utility rate conference has been tentatively scheduled for the week of August 21. The initial hearing produced a number of recommendations concerning utility rate making procedures and suggestions for improvements in tax treatment for the utilities (see Washington Report, Issue 36, 6/24/74).

FEDERAL POWER COMMISSION

Legislation amending the Federal Power Act and Natural Gas Act to provide for reimbursement for costs of administration has been introduced at the request of the Commission by Sen. Warren Magnuson (D-Wash.), Chairman of the Committee on Commerce. The legislation is being co-sponsored by Sen. Norris Cotton (R-N.H.), Ranking Republican on the committee. The bill, S. 3762, would give the Commission authority to level annual charges for services it renders under the cited Acts, and would statutorily empower the FPC to assess reasonable filing fees and annual charges on public utilities and natural gas companies for the privilege of doing business as such. A copy of FPC Chairman Nassikas' correspondence on this matter as well as a reprint of the bill appears in the 7/15/74 Cong. Record at p. S12360.

FEDERAL RESERVE BOARD

Oversight hearings concerning non-banking services being provided by bank holding companies and other banking institutions are being tentatively set for early August before the House Banking Committee. No legislation has been introduced nor is any contemplated at this point.

FEDERAL TRADE COMMISSION

Permission to seek information from 500 companies, double the number authorized by the House, has been approved by the Senate Appropriations Committee. While publication of information about individual companies would be forbidden, the legislation would permit the data to be used in enforcement proceedings against individual concerns, and it could be studied by the Justice Department, SEC, OMB, and Committees of Congress. The Senate takes up the bill on Monday (7/22/74).

HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

A GAO study entitled "Review of Grants to Health Maintenance Organizations of South Carolina" (B-164031(2) of 5/17/74) has been released. The report was prepared at the request of Sen. Strom Thurmond (R-S.C.). The report is critical of the management and administration furnished by the Department. The investigation noted inadequate accounting systems lacking appropriate internal controls, and GAO recommended that respective grantees obtain a certification of the adequacy of their accounting systems and internal controls from independent public accountants. GAO also believed that such grants should be audited periodically to insure such systems are operating effectively, that adequate records are being maintained and that grant funds are being adequately controlled and expended only for grant purposes. Copies of the report may be obtained from the GAO Reports Department at 202/386-6594.

A DHEW report entitled "Estimated Health Expenditures Under Selected National Health Insurance Bills" has been issued. This report contains information on the estimated program costs for total expenditures for the 8 major NHI proposals currently under consideration by Congress. The publication is available by contacting the Public Affairs Office, 202/245-6343.

INTERSTATE COMMERCE COMMISSION

The Commission proposes to establish a general form and procedures whereby railroads performing emergency service over the lines of other railroads may submit to the Commission a record of cost incurred, the direct revenues derived therefrom and other "pertinent" information from which the Commission may certify to the Secretary of the Treasury the amounts, if any, to be paid to the directed carrier. The forms will be audited by the Commission prior to submission to the Treasury. A copy of the order and accompanying form appears in the 7/17/74 Fed. Reg., p. 26172. A 30-day period of comment has been provided.

Legislation is proceeding in the House which would authorize \$2 billion of Federally-supported loans to railroads to buy new rolling stock and invest in facilities. In addition to the financial aid, the bill (HR 5385) would curb state taxation regulations, as well as require an ICC study of rate bureaus and reasonable levels of rates for each industry to produce adequate profitability. House passage of the measure is expected prior to the end of the session.

JUSTICE, DEPARTMENT OF

A list of FY '75 Guidelines for the Law Enforcement Assistance Administration (LEAA) programs has been issued. Included in the list are publications providing guidance on "State Planning Agency Grants" (M4100.1C), "Financial Management for Planning and Action Grants" (M7100.1A), and "Distribution, Resolution and Clearance of Audit Reports" (G7140.1A). Copies of these guidelines are available to the public at the LEAA central library in Washington (202/963-5244) and at the Department of Justice regional offices.

SECURITIES AND EXCHANGE COMMISSION

Commissioner Sommer endorsed the concept of full disclosure of the details concerning a change in auditors in both proxy statements and annual reports.

"If there has been a change of auditors in circumstances in which there was a dispute between management and the auditors, then surely the shareholders should know this when they are called upon to vote for management and for the selection of auditors, a practice which is commonplace now".

His remarks were part of a speech entitled "Report on Annual Reports" delivered at the ALI-ABA post-graduate course on Federal securities law in California earlier this month.

A public meeting of the SEC Report Coordinating Group (Advisory) will hold a meeting on July 29-30 at the SEC offices in Washington, D.C. The meeting is for the purpose of discussing the Commission's preliminary outline of a key regulatory report and a timetable for accomplishing the committee's goals (the Report Coordinating Group will also hold a public meeting just prior to this Washington meeting on July 25 at Suite 2000, 1010 Second Street, San Diego, starting at 10:00 a.m. local time). For further information concerning this matter, contact Mr. Daniel J. Piliero, II, Secretary for the group, 202/755-1390.

The Advisory Committee on a Model Compliance Program for Broker-Dealers will hold meetings on August 13-14, 1974, in Washington. The meetings are open to the public and will be to review drafts and proposals concerning the Committee's proposed report to the Commission on the compliance guidelines. For more information, contact Mr. Sidney T. Bernstein at 202/755-1397.

TREASURY, DEPARTMENT OF

A tentative decision, proposing to adjust capital gains taxes for inflation has been issued by the Ways and Means Committee (Tentative Decision No. 14 of 7/18/74). In addition, a previous Tentative Decision (No. 13 of 7/16/74) was issued, dealing with

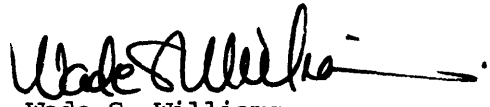
other aspects of capital gains and losses treatment. Copies of these "tentative decisions"--which are not binding on the committee members--are available in the Committee's office, Room 1103 Longworth House Office Building, Washington, D.C. (Normally, they are issued shortly after the committee members meet to consider various tax reform matters).

The "Christmas tree bill" (HR 8214) is back on the Senate calendar. It still retains unrelated amendments added by the Senate Finance Committee. The bill, which originally started out as a tax-relief measure for military and civilian personnel returning from the Vietnam conflict, was recommitted to the Finance Committee when strong objections were raised that it was being overloaded with general tax reform items.

August 12 is the target date for completion of the compromise version of the pension reform bill. Barring any unforeseen delays, the bill can be ready for final vote near the end of next month.

SPECIAL: ACIR ISSUES AGENDA FOR THE THIRD CENTURY

The Advisory Commission on Intergovernmental Relations has issued a report entitled "American Federalism - Into the Third Century". The booklet (No. M-85) summarizes the Commission's agenda for strengthening the workings of the Federal system and includes its recommendations for revitalizing local governments, building stronger states, achieving balanced growth and housing opportunity, streamlining and humanizing the administration of justice, and restoring fiscal balance in the Federal system. Also included is a list of draft legislation to accomplish these goals. Copies of this publication are available by contacting the Commission at 202/382-4953.



Wade S. Williams
Manager
Federal Information
(202) 872-8190